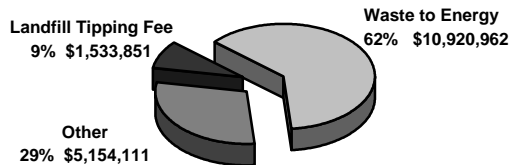


**SOLID WASTE SERVICES REVENUES**  
Fiscal Year 2005 - 2006  
TOTAL APPROVED BUDGET \$17,608,924



FY 05 APPROVED BUDGET

\$15,770,270

FY 06 APPROVED BUDGET

\$17,608,924

CHANGE

\$1,838,654

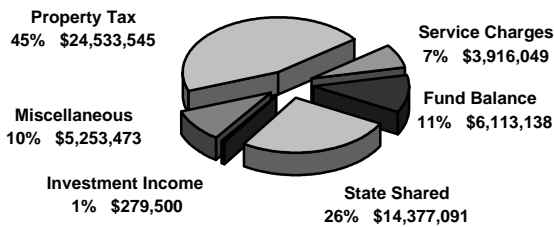
The Solid Waste Services account records direct revenue and expenses pertaining to the County's management of the disposal of solid waste. The County's Environmental Affairs Division of the Department of Public Works manages the Harford Waste Disposal Center (HWDC), also known as Scarboro Landfill. Staff, their ancillary expenses and the Center's operating costs are funded with Solid Waste Services revenue derived from tipping fees; the disposal of tires, batteries, scrap metal, and other items; and from the sale of mulch and compost produced by recycling yard waste. An Equipment Operator position is created due to work load and slightly offset with a reduction in Temporary Salaries for a net increase of \$32,211. Additional funding was approved for the FY 06 wage package of : Step and a 3% COLA \$76,262, an anticipated 8% increase in the cost of health care coverage \$3,877, adjustments to Workers Compensation and Pension rates \$33,465, and a \$36,370 net increase to various other operating expenses based on actual expense history. Allocations are also included to cover project cost increases to fuel \$25,000 and fleet maintenance \$20,000.

The Northeast Maryland Waste Disposal Authority, under its revenue bond financing authority, developed the Harford Waste-to-Energy Facility (WTE) to process most of the County's solid waste. Through a contractual arrangement with WTE, each year more than 110,000 tons of the County's waste is burned to produce energy, which is purchased by Aberdeen Proving Ground. The WTE contract covers the operating and maintenance costs of the facility and is funded with Solid Waste Services revenue, derived from tipping fees; fees for burning permitted or recovered materials; fees for tire disposal; and the sale of steam to Aberdeen Proving Ground. Under the WTE contract, the County pays the debt service on the facility and will own the plant in 2016. Federal and State environmental regulations require : retrofitting of the facility. This cost will also be covered by Northeast Maryland Waste Disposal Authority Bonds on which the County will pay the debt service. The debt service, and the WTE contract increase the Solid Waste Services Budget:

	FY 05	FY 06	Change
Waste to Energy Facility Expenses	\$6,430,937	\$7,639,907	\$1,208,970
Principal Payments	\$3,975,000	\$4,525,000	\$550,000
Interest Payments	\$1,306,385	\$1,394,386	\$88,001

Avenues for imposing fees are limited by law and the market place; resulting in a need for \$4,130,511 in General Fund support, an increase of \$754,261 from FY 05

**HIGHWAYS FUND REVENUES**  
Fiscal Year 2005 - 2006  
TOTAL APPROVED BUDGET \$54,472,796



FY 05 APPROVED BUDGET

\$44,672,003

FY 06 APPROVED BUDGET

\$54,472,796

CHANGE

\$9,800,793

The Highways Fund is required by County Code to account for dedicated revenues that are restricted to expenses relating to the maintenance, care and repair c roads and bridges located outside the boundaries of the three incorporated municipalities in Harford County; traffic patrol and highway safety; and County relate transportation expenses. Funds are principally derived from a County Property Tax differential, State Shared Highways Users Tax revenues, charges for service; and Intra-County revenues.

A motor vehicle fuel tax, motor vehicle registration fees, a share of the motor vehicle titling tax and a share of the corporate income tax, are designated by the State of Maryland as Highways User Revenues. The State shares 30% of these revenues with the counties and municipalities to help fund the construction and maintenance of local roads. The distribution is made according to a formula based on locally maintained road mileage and vehicle registrations

Additional Highways Fund expenses for FY 06 are the net result of the wage package of a Step and a 3% COLA \$601,737; the 8% anticipated increase in health care costs \$155,496, rate adjustments in Workers' Compensation \$245,943 and Pension \$276,398 funding; \$59,189 is included to provide our retirees and their spouses an extra \$75 per month in the supplement they receive from the County to help defray the rising cost of health care benefits, and to offer this benefit t all eligible retirees and their spouses. Twenty-two vehicles meet the County's Vehicle Replacement Policy guidelines and will require \$1,613,000 to secure a flat bed and dump trucks, a road tractor, pickups, utility vehicles, a front end loader, grader, a sweeper, and a paver. \$1,015,000 is included to cover increases in fuel costs To sustain the high quality maintenance of our roads \$400,000 was approved for contractual digouts and patching, and \$500,000 is added for emergency repairs necessitated by extraordinary events, like blizzards or tropical storms. Based on recent experience, our Snow Removal budget is increased \$99,995 for stal overtime, \$56,600 for replacement equipment and chains for truck tires, plus \$600,000 for sand, salt and other de-icers

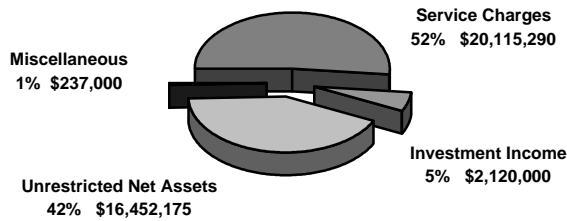
An increase in Pay-as-you-go funding of \$3,899,000 means a total of \$15,585,000 will be available for twelve bridge projects, ten roadway projects, drainag improvements, guardrails, sidewalks, new roads and stormdrains, a fuel dispensing system upgrade, the installation of traffic calming and road safety upgrades, computer equipment, facility repairs, an additional salt dome; a match for a State project to build a new train station in Edgewood; and a project to ensure compliance with the new MTBE regulations at the County's four underground gasoline tanks and associated piping. A major emphasis of the Highways capital budget will again be road resurfacing, repair of tar and chip roadways and/or converting them to a hot mix asphalt surface

Though Highways Funds are limited to certain types of expenditures, the Traffic Safety Unit of the Sheriff's Office and Board of Education transportation expenses meet the qualifications. An additional \$66,984 for FY 06 will bring Highways Fund support to the Sheriff's Traffic Safety Unit to \$721,893. Board of Education Transportation operating expenses will be supported with \$2 million in FY 06, the same level as in FY 05; and while \$1,044,000 was allocated in FY 05 \$1,403,150 will be appropriated in FY 06 to secure Board of Education maintenance vehicles and buses

### WATER & SEWER OPERATING FUND REVENUES

Fiscal Year 2005 - 2006

TOTAL APPROVED BUDGET \$38,924,465



FY 05 APPROVED BUDGET

\$35,981,785

FY 06 APPROVED BUDGET

\$38,924,465

CHANGE

\$2,942,680

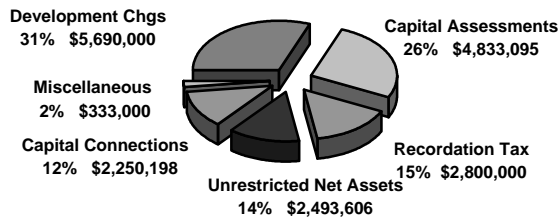
The Water and Sewer Operating Fund was established as a self-sustaining utility to account for water and sewer services provided by Harford County Government. For the purpose of securing revenue to maintain, repair and operate its water supply, sewerage or drainage systems, and other expenses, including depreciation allowances, plus interest on and retirement of bonds, the County is authorized by the Charter to make various service charges for water, sewer and drainage service and a charge for water used, and may impose late fees on bills that remain unpaid. Revenue is also generated by both Water and Sewer User Charges for tests and inspections, design review, construction meter rental, hydrant charges, job/shop repair orders, meter installations, Miss Utility charges to locate water and sewer lines for developers, industrial waste permits, plus interest and penalties.

Increased funding for FY 06 is provided to cover the cost of the County's FY 06 wage package \$510,189; a net of one new position, a Process Engineer is added to help with increased and more stringent environmental and security mandates, and updating computerized monitoring equipment. \$39,460 is included to provide our retirees and their spouses an extra \$75 per month in the supplement they receive from the County to help defray the rising cost of health care benefits, and to offer this benefit to all eligible retirees and their spouses. Additional allocations were approved for electricity for plants and pumping stations \$202,648, for chemical \$149,889, and for contracted biosolids management, all based on market increases. Depreciation on completed capital projects increases \$509,726. Additional Paygo funding of \$325,000 to a total of \$3,425,000 will in part fund the cost of system upgrades, secure new and/or replacement computer equipment, and fund two projects at Sod Run, one to replace the roof on the chlorine building and one to paint the plant's methane sphere.

### WATER & SEWER DEBT SERVICE FUND REVENUES

Fiscal Year 2005 - 2006

TOTAL APPROVED BUDGET \$18,399,899



FY 05 APPROVED BUDGET

\$13,603,345

FY 06 APPROVED BUDGET

\$18,399,899

CHANGE

\$4,796,554

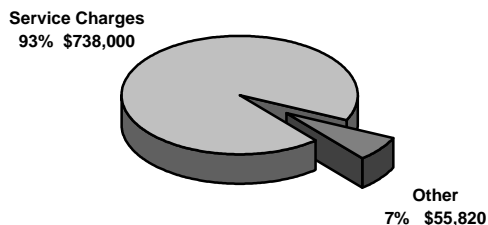
The Water & Sewer Debt Service Fund provides appropriation authority for the payment of principal and interest on long-term water and sewer bonds and loans used to finance the capital projects of the County-owned Water and Sewer System. Revenues for the funds are derived from: water and/or sewer connections development charges; Recordation Tax receipts; Biological Nutrient Removal fees; septic system permits; surcharges or assessments on specific projects; investment income; plus interest and penalties.

In September, 1999 the County advance refunded certain maturities of \$15.3 million in outstanding bonds. The new proceeds of the refunding were used to purchase Federally Tax-Exempt Municipal Bonds. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portions of the bonds. The FY 06 funding increase for the most part represents that portion of FY 06 principal and interest payments due.

### PARKS & RECREATION SPECIAL REVENUES

Fiscal Year 2005 - 2006

TOTAL APPROVED BUDGET \$793,820



FY 05 APPROVED BUDGET

\$941,358

FY 06 APPROVED BUDGET

\$793,820

CHANGE

(\$147,538)

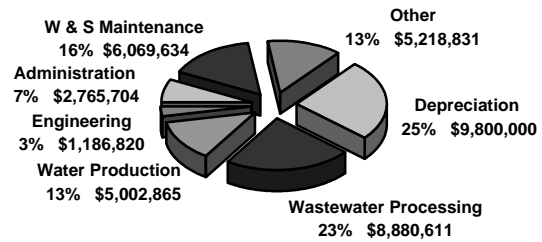
Parks & Recreation Special Fund Revenues are derived from fees, rentals of and/or contributions to the Emmorton Recreation & Tennis Center, the Oakington Peninsula, the McFaul Senior / Youth Center's skateboard facility, and the Showmobile, as well as special Recreation Council activities such as the sale of amusement park discount tickets, basketball tournaments, lacrosse and wrestling summer camps, etc. These revenues, with no County funding, support the

- o **Emmorton Recreation & Tennis Center** - which was purchased by Harford County using State Open Space funds in 1999 to address the unmet recreation needs of the Emmorton-Abingdon area. Two indoor tennis courts were retained and two others were converted to multipurpose gymnasiums. Two outdoor tennis courts were converted to indoor courts with a permanent steel-fabric cover, while the remaining space provides additional parking, increasing rentals and revenue production.

### WATER & SEWER OPERATING FUND APPROPRIATIONS

Fiscal Year 2005 - 2006

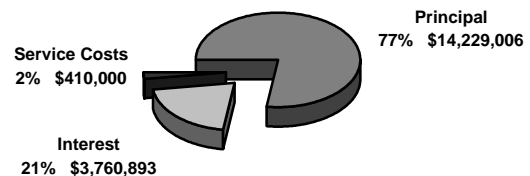
TOTAL APPROVED BUDGET \$38,924,465



### WATER & SEWER DEBT SERVICE APPROPRIATIONS

Fiscal Year 2005 - 2006

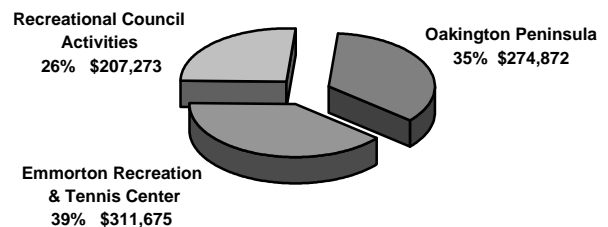
TOTAL APPROVED BUDGET \$18,399,899



### PARKS & RECREATION SPECIAL REVENUE APPROPRIATIONS

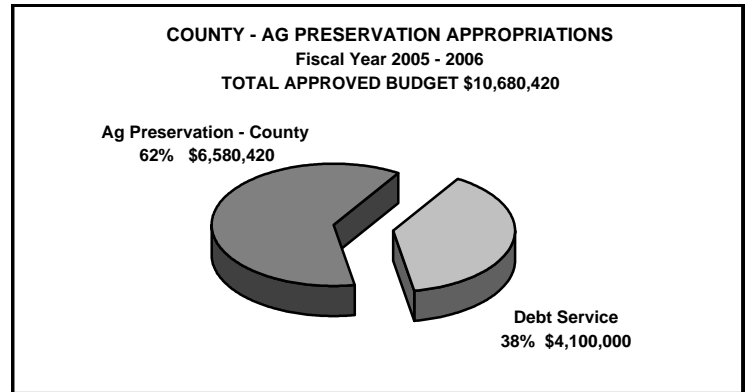
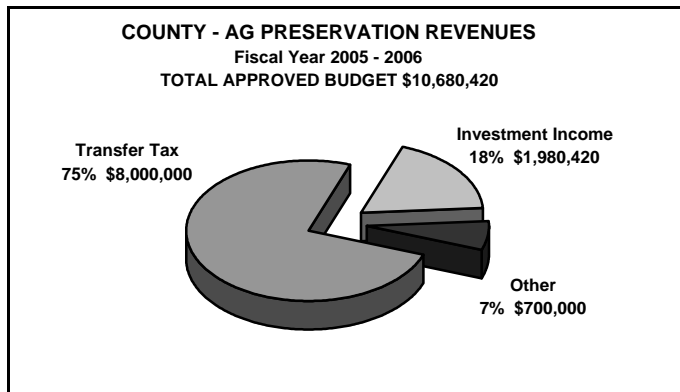
Fiscal Year 2005 - 2006

TOTAL APPROVED BUDGET \$793,820



- o **Oakington Peninsula** - is comprised of Swan Harbor Farm, which was purchased in conjunction with the Maryland Department of Natural Resources and Program Open Space in 1994, and operates a self-sustaining facility generating revenues from rentals, farming, leases and fundraising; and Oakington Farm, which also generates revenue from the leasing of farmland, two houses, and the facility, while providing a park for passive recreation activities
- o **Recreation Council Activities** - is an account set up to receive revenues from Recreation Council registrations and events. The funds are used for recreation supplies, tournament trophies, officials and referees, etc

The final Debt Service payment of \$95,543 on the Emmorton Recreation & Tennis Center was made in FY 05. A Community Resources Coordinator position previously partially funded here is converted to full time for FY 06 at a net cost of \$46,704. Temporary salaries are increased \$17,432 to provide additional staff to expand rope course activities. The FY 06 wage package is funded at \$8,456. Tennis and basketball nets will be replaced and pitching/batting equipment will be secured for the Emmorton Center for \$20,200; while \$20,925 is allocated for new and/or replacement equipment. No Paygo funded projects are planned for FY 06



FY 05 APPROVED BUDGET

\$10,059,750

FY 06 APPROVED BUDGET

\$10,680,420

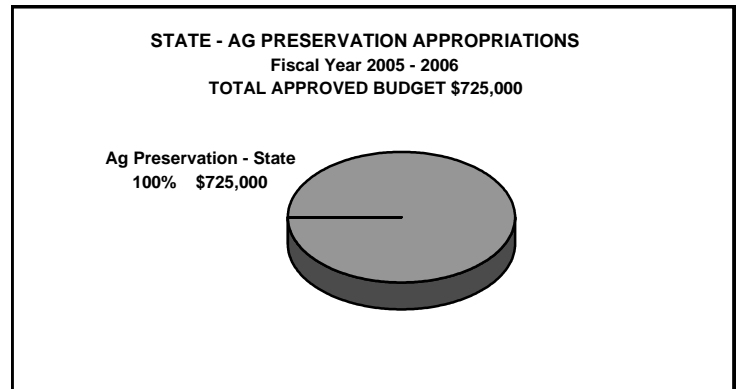
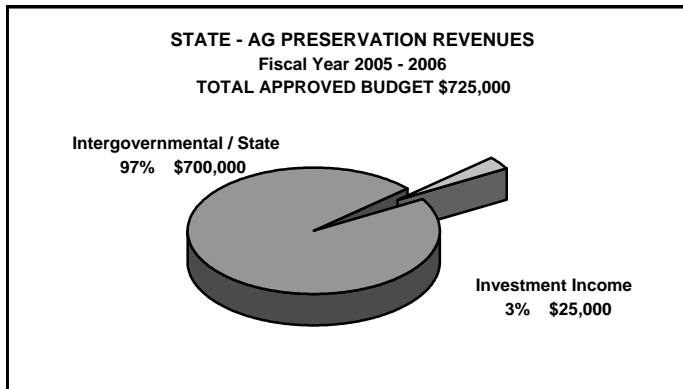
CHANGE

\$620,670

County Council Bill No. 93-3 added Article IV, Transfer Tax, to Chapter 123, Finance and Taxation, of the Harford County Code which imposes a 1% Transfer Tax on any instrument of writing that conveys title to, or a leasehold interest in, real property, effective July 1, 1993. The proceeds are to be distributed

- o **50% to the County's Agricultural Land Preservation Program**
- o **50% to fund school site acquisition, school construction, or school debt service**

The Harford County Agricultural Land Preservation Program was established in 1993 to preserve productive agricultural land and woodland which provide for the continued production of food and fiber for the County, by allowing land owners to preserve farmland for future generations via conservation easements. The County, using primarily Transfer Tax revenue, enters into installment contracts to purchase development rights; the landowners receive payments and/or a tax credit. To this end, funds are increased for agricultural preservation purchases and the debt service payments on them



FY 05 APPROVED BUDGET

\$630,000

FY 06 APPROVED BUDGET

\$725,000

CHANGE

\$95,000

Intergovernmental Revenues, for the State Agricultural Preservation Fund, come from the State Agricultural Land Transfer Tax, imposed on all transfers of title or agricultural land taken out of production. The Maryland Agricultural Land Preservation Foundation (MALPF) was created in 1977 by the Maryland General Assembly to preserve productive agricultural land and woodland, via the Purchase of Development Rights, to provide for the continued production of food and fiber for all citizens of the State and to curb the random expansion of urban development. Investment Income revenue is projected based on actual receipt history and an anticipated growth in interest rates.

MALPF, along with the Maryland Department of Planning, co-administers the Certification of Local Agricultural Land Preservation Programs. Local subdivisions are required to collect the revenue generated by the State Agricultural Land Transfer Tax; these funds are then shared with the local jurisdictions as follows

- o Maryland counties, without Certified Agricultural Land Preservation Programs are required to remit two-thirds of the revenue to MALPF. They retain one-third for agricultural land preservation purposes
- o Counties that have a Certified Local Agricultural Land Preservation Program may retain 75% of the Agricultural Transfer Tax collected, for preservation purposes, and are required to remit only 25% to the Foundation

Harford County's Agricultural Land Preservation Program is Certified. For FY 06 it is projected that the County will collect \$933,000 in State Agricultural Land Transfer Tax receipts. \$233,000 will be remitted to the State and the County will retain \$700,000

\$30,000 of this revenue will be used by the County to offset the salary and benefits of a Planner III, who serves as Harford County's Program Administrator

The remaining \$695,000 will be Harford County's match to MALPF for easement purchases the foundation will make on the County's behalf, demonstrating the Administration's commitment to preserving Harford County's farmland.

By June, 2005, Harford County will have purchased an estimated 38,400 acres of farm land through the County and State Agricultural Preservation Programs